CONFIDENTIAL

SUMMARY OF AG/URBAN REQUIREMENTS
Revised Draft: July 9, 1999

The following are of significant importance to the Ag/Urban group and must be incorporated into the Bay-Delta Program. While certain of the following items may or may not be important to a particular stakeholder within the Ag/Urban group, all of the following must be incorporated into CALFED's Programmatic EIS/EIR and the Record of Decision to receive the collective support of the Program by the Ag/Urban group as a whole.

1. **Clear and Measurable Project Goals and Objectives in the EIS/EIR:**
In order to evaluate the ability of a particular set of actions to achieve project purposes, to support the determination of LEDPA, and to support the decision process for implementing future actions, the general project purposes identified in the NOI/NOP must be reduced to specific measurable long-term goals and objectives.

   - The ***Water Quality*** purpose must be defined as criteria for constituent levels of concern for in-Delta, south Delta, and urban drinking water uses. As a minimum, Ag/Urban recommends long-term source water quality goals for municipal suppliers of 50 µg/l for bromide and 3.0 mg/l for TOC for public health protection to be met by delta conveyance changes or an equivalent cost-effective combination of in-delta conveyance changes, alternative source water, source control, and treatment. To achieve CALFED goals for water recycling and water use efficiency, Ag/Urban recommends a long-term source water quality goal for salinity of 150 mg/l TDS. CALFED must also establish interim source water quality milestones to be used as indicators of continuous improvement in water quality during Stage1, such as those being developed by the California Urban Water Agencies (Letter, Byron Buck to Lester Snow, May 20, 1999.)
   - The ***Water Supply*** purpose must be defined as levels of need for urban, agricultural, and environmental uses. Until refined levels of need are established, Ag/Urban recommends a near-term supply goal of 200,000 ac-ft per year on average above the Accord and upstream AFRP actions in the early years of Stage 1 increasing to 400,000 ac-ft per year at the end of Stage 1. This near-term goal is necessary to begin replacing water that was dedicated to the environment through CVPIA or the Accord. These water supply increases are amounts available for diversion from the delta in addition to water supply from other water management tools such as water use efficiency or recycling.
   - The ***Ecosystem Quality*** purpose must be defined as specific goals for species recovery and/or acreage of habitat restoration. The ecosystem quality goals must be based on **scientific accountability**, including:
     - Dedication and acquisition of environmental water flows must be linked to a continuous, iterative **scientific peer review process.**
     - In the absence of scientific justification, additional flows will not be dedicated or acquired.
     - **Comprehensive, real-time monitoring program** is needed to guide adaptive management decisions.
     - **Environmental water use must be managed efficiently** based on sound scientific justification and operated to maximize benefits within a water budget.

- The ***Vulnerability*** purpose must include measures for reducing the risk of system failure, and include as a goal that any interruption of Delta supply following a major catastrophe will be limited to 6 months or less.
- The specific goals must also include measures of **practicability**, including cost, technological certainty, and logistical feasibility.

2. **Commitment at the Time of the ROD to Implement Water Quality and Supply Reliability Improvement Projects:**
At the time of the ROD, an agreement to implement the following programs during Substage 1A (yr. 2001 - 2002):

- **South Delta improvements:** Obtain necessary permits and implement South Delta Improvement Program, including:
  - **8500 cfs Operation at Banks:** In the short-term, complete NEPA/CEPA process and other necessary permitting, design and construction, and begin 8500 cfs operation at Banks Pumping Plant.
  - **Joint Point of Diversion**
  - **10,300 cfs Operation at Banks:** Complete NEPA/CEQA processes, design, and begin construction of south delta improvements to allow operation at 10,300 cfs during Stage 1.
- **Water Quality Actions:** Implement specific actions to improve water quality, including:
  - **Salinity Reduction:** Maintain current contractual obligations and Implement salinity reduction work, including operational changes, modifications to in-delta conveyance, and San Joaquin River salinity management.
  - **Veale Tract and Byron Tract Relocations:** Relocate Veale Tract and Byron Tract agricultural drains.
  - **Barker Slough:** Implement North Bay Aqueduct Watershed Program to improve drinking water quality for Napa and Solano County.
  - **TOC Reduction:** Conduct comprehensive evaluation and pilot programs for reducing TOC from Delta islands drainage.
  - **Wastewater Treatment Plant Discharges:** Coordinate agency actions to reduce the water quality impact of wastewater discharges.
- **Delta Levee Improvements**: Implement delta levee and flood conveyance improvement program to protect in-delta uses and through delta conveyance in order to maximize multiple benefits for flood protection, water conveyance, supply and quality, and habitat.
- **Financial Incentives** for agricultural and urban water management and recycling projects that exceed local cost-effectiveness criteria.
- Adequate **public funding of watershed restoration** that protects water quality and water supply.
- Acceptable level of public funding to support a **Water Conservation and Water Resources Management Fund for Tributary (rural) Areas**. This funding would be used in "tributary areas" (all natural tributary areas as well as Trinity, Mono, and Inyo counties) to provide low interest loans, grants and local funding for the purposes of:

- Making improvements in water conveyance and distribution systems facilities within tributary areas for the purposes of reducing leakage of water and improving water quality.
- Development of local ground water plans, groundwater monitoring efforts and ground water modeling programs to develop "safe yield" estimates for groundwater basins and improved groundwater management.
- Development of water recycling programs.
- Integrated resources planning.
- Improvements in water treatment and sewage treatment facilities to improve water quality
- Technical assistance in development of water use efficiency measures.

- **South-of-Delta Groundwater Storage:** Begin construction of at least one new south-of-delta groundwater storage project.
- **East of Delta Groundwater Recharge and Banking Project:** Implement a groundwater conjunctive use project in area of the Mokelumne, Calaveras, Stanislaus and Farmington basins.
- **Funding for groundwater basin modeling,** planning and monitoring in the Central Valley watershed, including implementation of groundwater pilot projects
- **Surface Storage:** Continue planning, site selection, and environmental documentation for new reservoirs and expansion of existing reservoirs.
- **Fund analysis of alternatives to meet upstream area of origin needs** in ways that minimize impacts to downstream interests (environmental and diverters). This will include analysis of PG & E hydro facilities such as analyses of the potential value of operating Lake Almanor, Oroville and Butte Groundwater Basin conjunctively to meet upstream and downstream needs, and certain other targeted opportunities in the area of origin counties.
- Continued federal and state **funding for fish screens** in the Sacramento River and San Joaquin watersheds, including the delta (Red Bluff, Sutter Mutual and smaller screens and siphons).
- **Hood Test Diversion Facility:** Complete feasibility studies and begin environmental documentation.
- **In-Delta Channel Improvements:** Plan, design and implement in-delta channel modifications that protect all in-delta uses and maximize multiple benefits for habitat, flood conveyance, water quality, water supply, and that assures a continued reliance, to the maximum extent possible, on the delta common pool.
- **Isolated Facility Planning:** Begin planning and feasibility studies, including the collection and analysis of water quality and biological data to determine the need, sizing, and timing of the isolated Facility. The purpose of the studies is to support the decision process to be defined at the time of the ROD.

3. **Comprehensive Assurance Package at the Time of the ROD:**
To assure that the Program will be implemented and operated as agreed, an assurance package containing one or more implementing agreements must be available at the time of the ROD to provide necessary assurances in the following areas:

- **Regulatory Assurances,** including:

- **Programmatic findings under §404** of the Clean Water Act that surface storage is required as part of the program and that the practicable limits for other components of the water management strategy are defined.
- **Clear statement of conditions** that will trigger the need for conveyance and other program actions.
- Define a **clear process for the decisions** on the need for an isolated facility.
- **Programmatic conservation strategy** which will provide incidental take authorizations sufficient to allow take of all covered species resulting from the operations of the system, within the terms of the negotiated Operating Agreement. That is, when the terms of the Operating Agreement have been negotiated, the effects of incidental take will have been analyzed and authorized, and no further action or mitigation will be required other than those measures which have been included in the Operating Agreement.
- Agreement that **all ecosystem restoration projects** implemented under the Category III Program, CVPIA, and other programs will be considered part of the CALFED Ecosystem Program and be credited toward restoration objectives. Credited projects would include, but are not limited to, Proposition 204 projects, CVPIA ecosystem projects and specific projects funded by state and federal appropriations.
- Agreement that **there will be no "Outliers"**, meaning that the CALFED program will take into account all issues and proposed projects outside the CALFED Program relevant to or having an effect upon water supply, fisheries and water quality, such as but not limited to Trinity River, B(2) Water above the Accord, FERC proceedings, and actions resulting from new listings.

- **Operating Assurances**, set forth in an **Operating Agreement** must include:
  - **Extension of the Accord** through Substage 1A with all associated authorizations.
  - **Extension of Accord Protections** to in-delta and upstream diverters, including but not limited to "safe harbor" type protections to allow incidental take and no loss of water supply as a result of implementation of ecosystem restoration and other conservation measures.
  - Agreement that the Accord and upstream AFRP actions represent **base authorized operating conditions**, and any additional environmental flows and/or operating criteria will be met through water acquisitions or storage in the Environmental Water Account.
  - Agreement that **neither incidental take authorizations nor operating conditions**, set forth in the Operating Agreement will be modified during the terms of the Operating Agreement.
  - Agreement for **flexible operations** to allow pumps to operate at full capacity at those times and those circumstances described in the Operating Agreement. The design of the CALFED monitoring program must provide necessary real-time data to support flexible operations.
  - Agreement to establish an **Environmental Water Account** (EWA) to allocate new water generated consistent with water supply and water quality objectives, and specified environmental flow and operations requirements. Agreement should also specify the appropriate amounts and sources to fund the acquisition of water and implement facilities deemed necessary to meet the agreed upon objectives of the EWA.

- Agreement that **all contractual and statutory protections afforded to the delta and the areas of origin will be met and that water supply and quality would not be negatively impacted** by CALFED actions.

- **Acceptable level of agricultural land acquisition during Stage 1A, with appropriate local involvement and mitigation.**

- **Overarching Program Implementation Assurances,** set forth in an **Implementation Agreement** must include:

  - **A schedule** for funding and implementing all elements of the CALFED Program **and a finding that the Program will achieve balanced solutions** in all identified problem areas as contained in Proposition 204.

  - **All Substage 1A projects will be agreed to and fully described** at the time of the ROD, so that all parties may be fully apprised of and be able to fully evaluate whether the CALFED program is implementing aspects of all program elements in a balanced and fair manner.

  - **Only those projects described as part of Substage 1A** will be implemented during that substage.

  - The Implementation Agreement entered into at the time of the ROD must assure a process which **guarantees that Substages 1B and 1C will also move forward in a balanced and staged fashion** such that progress must be demonstrated in all program areas. No programs may move forward unless that balance has been demonstrated and agreed to by the parties.

  - **Financial strategies** and principles, including cost-sharing arrangements between local, state, and federal entities with user fees linked to demonstrated benefits and long-term assurances. The financial strategies and principles must recognize that it is appropriate to use public funds for some or all CALFED actions due to the broad-based public benefit of improved water supply, water quality and environmental restoration, and the adverse impacts of past actions on a limited subset of water users.

  - Agreement regarding **Governance** structure.